

## SEMESTER -IV

## ADVANCED ACCOUNTING-II

**1. Course Description**

Programme: B.Com (IPP)

Course Code: U24/CIP/DSC/401

Type of course: DSC

No. of Credits: 5

Max. Hours: 75

Max Marks: 100

Hours per week: 5

**2. Course Objective:**

- To develop an understanding of valuation of goodwill & shares, process of reconstruction of Companies and preparation of Consolidated Financial Statements.
- To develop an understanding of accounting procedure during liquidation of a company and preparation of holding company accounts.

**3. Course Outcomes:**

After completion of the course, the student will be able:

CO 1: To compute the value of Goodwill and Shares.

CO 2: To recognise the difference between merger and purchase and prepare related accounts.

CO 3: To analyse the need for Internal reconstruction and develop the ability to prepare related accounts.

CO 4: To prepare Liquidator's Final Statement for liquidation of a company.

CO 5: To prepare the Consolidated Financial Statements of Holding and Subsidiary company.

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#### 4. Course Content

##### MODULE I - VALUATION OF GOODWILL & SHARES

(15 Hrs)

- A. Valuation of Goodwill: Meaning- Nature of Goodwill – Features of Goodwill – Types of Good will-Provisions of Ind AS-103( Definition of Goodwill, Goodwill recognition and measurement) – Factors to be considered in valuation of Goodwill: Nature of Goods, Monopolised Business, Trade Name, Risk Involved, Favourable Location and Site, Skill of Management, Future Competitions, Money Market conditions, Profit trends, Govt. Industrial Policy - Purpose – Methods of valuation of Goodwill: Average Profits Method – Super Profits Method – Annuity Method (Theory & Problems)
- B. Valuation of Shares: Meaning - Need for valuation – Factors affecting valuation of shares -Provisions of Ind AS-113 Fair Value Measurement (Definition of Fair Value and Measurement)- Methods of Valuation: Intrinsic Value Method – Yield Method – Fair Value Method (Theory & Problems)

##### MODULE II - AMALGAMATION – ABSORPTION – EXTERNAL RECONSTRUCTION

(15 Hrs)

Introduction – Definition & Meaning – Provisions of Ind AS-103 Business combination (Definition of Business, Determination of purchase consideration)-Calculation of purchase consideration – Lump sum method – Net Assets Method- Net payments method- Accounting treatment – Amalgamation in the nature of Purchase method – Amalgamation in the nature of Merger or pooling of interest method – Treatment in the books of both the companies (Theory & Problems)

##### MODULE III - INTERNAL RECONSTRUCTION

(15 Hrs)

Meaning - Need – Procedure for Reducing Share Capital-Accounting treatment for Reduction of Capital – Recording transactions relating to internal reconstruction – preparation of final statements after Reconstruction (Excluding schemes of reconstruction) (Theory & Problems)

##### MODULE IV - LIQUIDATION OF COMPANIES

(15 Hrs)

Meaning – Need for liquidation - Preparation of Liquidator's Final Statement of Account - Legal Provisions – Calculation of Liquidator's Remuneration – Adjustment of Shareholder's rights (Theory & Problems)

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## MODULE V - HOLDING COMPANIES

(15 Hrs)

Concept of holding company – Cost of control - Minority interest – Goodwill – Capital and revenue profits – Intercompany transactions – Contingent liabilities – Preparation of consolidated Balance Sheet (Excluding Inter Company Owings & Intercompany Holdings. Simple problems only) (Theory & Problems)

**LAB WORK**

Creation of Company, accounts, posting of transactions through appropriate accounting vouchers in the books of Transferor Company and Transferee Company for Amalgamation of Companies using Tally

Creation of Company, posting of transactions through appropriate accounting vouchers for internal reconstruction of Companies using Tally ERP 9.0

**5. References:**

1. R.L Gupta & RadhaSwamy - Advanced Accountancy -Vol: II – Sultan Chand & Sons
2. Shukla & Grewal - Advanced Accountancy -Vol: II
3. S N Maheshwari & S K Maheshwari - Advanced Accountancy -Vol: II – Vikas Publishing House
4. Arulanandam & K S Raman - Advanced Accountancy, Himalaya Publishing House
5. Jain & Narang - Advanced Accountancy -Vol: II, Advanced accounting, Corporate Accounting – Kalyani Publishers

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## 6. Syllabus Focus

## a) Relevance to Local, Regional, National and Global Development Needs

Local /Regional/National /Global Development Needs	Relevance
Global Development Needs	Corporate accounting supplies sufficient essential financial data and analysis which supports decision making process to all the stakeholders It provides the tools and knowledge needed to manage financial resources effectively, promote transparency and accountability and support economic growth and stability.

## b) Components on Skill Development / Entrepreneurship Development / Employability

SD/ED/EMP	Syllabus Content	Description of Activity
SD	Valuation of Goodwill & Shares	Identify the necessity and the reasons for valuation
ED	Valuation of Shares & Amalgamation	Valuation of shares and Preparation of Accounts
EMP	Valuation of shares & goodwill, reconstruction and liquidation of a company	Preparation of accounts and Lab work on computerized accounting.

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## 7. Pedagogy

S. No	Student-Centric Methods Adopted	Type / Description of Activity
1.	Problem-solving	Practical Learning
2.	Quiz	Experiential Learning
3.	Group Discussion	Participative Learning
4.	Lab work	Practical Learning

## 8. Course Assessment Plan

## a) Weightage of Marks in Continuous Internal Assessments and End Semester Examination

Cos	Continuous Internal Assessments - CIA (40%)	End Semester Examination - (60%)
CO1	CIA-1 Written examination	Written examination
CO2	CIA-1 Written examination	
CO3	CIA-2 Concepts testing	
CO4	CIA-2 Assignment	
CO5		

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## b. End Semester Question Paper Pattern

**SEMESTER -IV**  
**ADVANCED ACCOUNTING-II**

Course Code: U24/CIP/DSC/401

No. of Credits: 5

Max Marks:60

Hours per Week: 5

**SECTION - A**


**I. Answer the following****(5 x 10 = 50 Marks)**

1. What is the value of Goodwill at 5 year's purchase of the average profits for the past four years under simple average method and weighted average method. The profits are:

Year	Profits
2019	Rs.40,200
2020	Rs.44,800
2021	Rs.40,000
2022	Rs.50,000

On 1-6-2021, major repair of plant was charged to revenue at Rs.9,000. It is agreed to capitalize it subject to depreciation of 10% p.a. on reducing instalment. The closing stock of 2020 was undervalued by Rs.6,000. To cover partner's remuneration a sum of Rs.8,800 p.a shall have to be incurred.

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2. On 31st March 2019, Assets and Liabilities of a Limited Company disclosed the following position:

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Issued share capital Rs.10	4,00,000	Fixed Assets	5,00,000
Reserves	90,000	Goodwill	40,000
Surplus Account	20,000	Current Assets	2,00,000
5% Debentures	1,00,000		
Current Liabilities	1,30,000		
	<b>7,40,000</b>		<b>7,40,000</b>

On 31st March 2019, the Fixed Assets were independently valued at Rs. 3, 50,000 and the Goodwill at Rs. 50,000. The Net Profits for three years 2016- 2017 - Rs 51,600, 2017- 2018: Rs. 52,000, 2018- 2019: Rs. 51,650. Out of which 20% was placed to reserve this proportion being considered reasonable in the industry in which the company is engaged and where a fair investment return may be taken at 10%. Assess the Value of the Company's Shares by (a) The Net Assets Method (b) The Yield Method (c) Fair Value Method.

3. X Ltd. agreed to acquire the business of Y Ltd. as on 31<sup>st</sup> March 2023 on which date the ledger balances of Y Ltd. were as follows

Credit balances	Amount (Rs.)	Debit balances	Amount (Rs.)
Capital (fully paid shares ₹10/)	6,00,000	Goodwill	1,00,000
General Reserve	1,70,000	Land & Building	3,00,000
Surplus Account	1,10,000	Plant	3,40,000
6% Debentures	1,00,000	Stock	1,68,000
Creditors	20,000	Debtors	56,000
		Cash	36,000
	<b>10,00,000</b>		<b>10,00,000</b>

The consideration payable by X Ltd. was:

- A cash payment of ₹ 2.50 for every share to Y Ltd.
- Issue of 90,000 ₹10 shares at an agreed value of ₹ 12.50 per share
- 6% debentures of Y Ltd. are taken over by X Ltd. and are discharged by the issue of such an amount of fully paid 5% Debentures in X Ltd. at 96% as is sufficient to discharge the 6% debentures in Y Ltd. at a premium of 20%.

The directors of X Ltd. valued Land & Buildings at ₹4,00,000 and created a provision of 5% on Debtors against doubtful debts.

The expenses of Liquidation of ₹6,000 were paid X Ltd.



Prepare the journal entries to close the books of Y Ltd. and to record the acquisition of business in the books of X Ltd.

OR

4. The Board of Directors of Delta Ltd. decided to amalgamate the Alpha Ltd. Ledger balances of the two companies as on 31<sup>st</sup> March 2023 are given below:

Cr. Balances	Delta Ltd. (Rs.)	Alpha Ltd. (Rs.)	Dr. Balances	Delta Ltd. (Rs.)	Alpha Ltd. (Rs.)
5% Preference share of ₹ 1/	-	10,000	G/W	10,000	10,000
Equity Shares of ₹1 each	63,000	20,000	Copyrights	5,000	-
Capital Reserve	30,000	-	L&B	25,000	15,000
General Reserve	30,000	-	Plant	35,000	-
Creditors	2,000	10,000	Debtors	10,000	10,000
Bank O/D	-	10,000	Closing stock	10,000	5,000
			Cash in hand	30,000	-
			Surplus (Dr)		10,000
	<b>1,25,000</b>	<b>50,000</b>		<b>1,25,000</b>	<b>50,000</b>

The terms of sales are as follows:

- Delta Ltd. takes over both assets and liabilities of Alpha Ltd.
- Equity shareholders of Alpha Ltd. are to receive one new share of ₹ 1 of Delta Ltd. for every 10 shares held and the preference shareholders one 5% preference share of ₹ 1 in Delta Ltd. for every 2 shares held.
- An amount of ₹ 5,000 towards cost of liquidation will be met by the Delta Ltd.
- The Land & Buildings of Delta Ltd. are valued at ₹ 40,000 and a provision of ₹ 1,000 is to be made for doubtful debts in case of Alpha Ltd.

Show necessary ledger accounts to close the books of Alpha Ltd. and prepare the Balance sheet of Delta Ltd. after amalgamation.

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5. No Planning Ltd presents you the following Balance Sheet as at 31/3/2023:

Particulars	Amt (Rs)
<b>I. Equity &amp; Liabilities</b>	
1. Shareholders' Funds:	
a. Share Capital (Rs. 100 each fully paid)	
Equity	5,00,000
8% Preference	4,00,000
b. Reserves & Surplus:	
Capital Reserve	40,000
Surplus a/c (Dr balance)	(-)3,00,000
2. Non-current liabilities:	
6% Debentures	3,00,000
3. Current Liabilities	
Sundry Creditors	2,00,000
<b>Total</b>	<b>11,40,000</b>
<b>II. Assets</b>	
1. Non-current assets	
Land & Buildings	3,00,000
Plant & Machinery	1,00,000
Goodwill	4,00,000
Patents	2,30,000
2. Current Assets	
Stock	70,000
Sundry Debtors	30,000
Cash	10,000
<b>Total</b>	<b>11,40,000</b>

Following scheme of reduction was duly approved:

- The existing Preference shares to be converted into 10% Preference shares of Rs.10 each.
- Equity shares to be reduced to fully paid shares of Rs.2 each.
- Debentures are to be reduced by 70%.
- Sundry creditors to take over Stock and sundry Debtors in full settlement of their claim.
- All intangible assets and losses to be written off.

Pass journal entries and prepare Balance sheet after reconstruction.

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6. The paid up capital of A Ltd.. amounted to Rs.5,00,000 consisting of 1,000 5% Preference shares of Rs. 100 each and 40,000 equity shares of Rs. 10 each.

A succession of losses having been incurred by the company, the directors recommended to the shareholders the proposal to reduce the capital to provide a sum sufficient for the following purposes:

- To write down the book value of Plant by Rs.1,50,000; Patents of Rs. 30,000; Goodwill Rs. 80,000 and discount on issue of shares Rs. 3,000.
- To write off debit balance of surplus account of Rs. 2,00,000.
- Any balance made available by the capital reduction to be utilised to write off Heavy Promotion expenditure a/c.

The scheme duly approved and authorised, provided as follows:

- For every 10 preference shares held, two 8% Preference shares of Rs. 50 each.
- For every 10 equity shares held, two equity shares of Rs. 2 each.

Pass journal entries in the books of the company and prepare Capital Reduction A/C.

7. The following is the Balance sheet of Bubble Ltd as on 31-3-2023

Liabilities	Amount (Rs)	Assets	Amount(Rs)
Share Capital	80,000	Land and Building	25,000
8000 Preference shares of Rs.10/			
12000 Equity shares of Rs.10/	1,20,000	Other fixed assets	2,00,000
Bank Loan	4,00,000	Stock	5,25,000
8% Debentures	1,00,000	Debtors	1,00,000
O/S interest on debentures	8,000	P & L account	58,000
Creditors	2,00,000		
	<b>9,08,000</b>		<b>9,08,000</b>

The Company went into liquidation on that date. Prepare a Liquidator's statement of accounts after taking into account the following"

- Liquidation expenses and liquidator's remuneration amounted to Rs.3000 and Rs.1,000 respectively.
- Bank loan was secured by pledge of stock
- Debentures and the interest thereon are secured by a floating charge on all assets.
- Fixed assets were realized at book values and current assets at 80% of book values.

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8. Over Confident Ltd went into liquidation with the following liabilities.

Secured creditors Rs. 20, 000 (Securities realized Rs. 25, 000)

Preference Creditors – Rs. 600

Unsecured Creditors – Rs. 30, 500

Liquidator's expenses Rs. 252, The Liquidator is entitled to 3% on assets realized and 1.5% on payments made to unsecured creditors except preference creditors. The various assets except the ones with the fully secured creditors realized Rs. 26, 000. Prepare liquidator's final statement of Accounts.

9. On 1<sup>st</sup> August 2022, Madhu Ltd purchased 8000 shares in Vidhi Ltd @ Rs 175/ share. B/S of Vidhi Ltd at 31<sup>st</sup> March 2023 are as follows:

Liabilities	Amount	Assets	Amount
Fully Paid shares of Rs 100/	10,00,000	G/W	1,00,000
Reserves (as on 1-4-2022)	4,00,000	Fixed Asset ( Cost – 20,00,000)	16,00,000
Surplus Account	3,00,000	Current Assets	6,00,000
10% Deb @ Rs 100/	2,00,000		
Sundry Creditors	4,00,000		
	<b>23,00,000</b>		<b>23,00,000</b>

**Additional Information:**

- The opening balance in the surplus a/c was Rs 1,60,000 out of which dividend amounting to Rs 1,00,000 was paid in September 2022.
- Madhu Ltd held 50% of the debentures of Vidhi Ltd.
- Sundry Creditors includes Rs 40,000 payable to Vidhi Ltd.

You are required to calculate i) Minority Interest ii) Cost of Control.

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10. H Ltd acquired 80,000 shares of Rs 10/ in S Ltd on 1<sup>st</sup> October 2022. B/s of H & S Ltd as on 31<sup>st</sup> March 2023 were:

Liabilities	H Ltd	S Ltd	Assets	H Ltd	S Ltd
Share Capital (Rs10/)	20,00,000	10,00,000	Goodwill	1,00,000	-
Reserves	1,00,000	1,50,000	Machinery	5,00,000	4,50,000
Surplus Account	50,000	45,000	Furniture	20,000	40,000
9% Debentures	-	2,00,000	Shares in S Ltd	8,80,000	-
Creditors	4,00,000	2,00,000	9% Deb in S Ltd	80,000	-
Bills Payable	20,000	10,000	Stock	5,20,000	6,50,000
			Debtors	1,80,000	2,70,000
			Bills Receivable	10,000	15,000
			Cash	2,80,000	1,80,000
	<b>25,70,000</b>	<b>16,05,000</b>		<b>25,70,000</b>	<b>16,05,000</b>

Bills Receivable of S Ltd includes bills of Rs 8,000 accepted by H Ltd and the creditors of S Ltd includes Rs 20,000 due to H Ltd. An amount of Rs 30,000 was transferred by S Ltd from current year's profits to reserves.

You are required to prepare the consolidated B/S as on 30<sup>th</sup> March 2023 showing therein how your figures are made up.

### SECTION – B

**II Answer any FIVE of the following**

**(5 × 2 = 10 Marks)**

11. Explain the formula for any two methods of valuation of shares?
12. Company A takes over Company B and as purchase consideration, it agrees to pay a sum of Rs 15,000 in cash and 15 shares of 10/ Rs 8 paid up for every 10 shares in B Ltd. What is the total purchase consideration if B Ltd has 6,000 shares of Rs 10/ each.
13. What does reorganisation through surrender of shares mean?
14. Calculate the Liquidator's remuneration from the following:  
2% on assets realised, 3% on amount paid to preference creditors & other unsecured creditors if assets realised is Rs 5, 50,000, amount due to preference creditors are Rs 10,000 and U/S creditors – Rs 90,000.
15. Explain what is Cost of Control and how is it calculated?
16. What do you mean by amalgamation by merger?
17. What is the need for valuation of Goodwill?

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## SEMESTER – IV

## AUDITING

**1. Course Description**

Programme: B.Com (IPP)

Course Code: U24/CIP/DSC/404

Course Type: DSC

No. of Credits: 5

Max. Hours:75

Hours per Week:5

Max Marks: 100

**2.Course Objectives**

- To develop an understanding of auditing concepts and audit plan
- To learn the practical aspects of audit procedures and practices.

**3.Course Outcomes**

On successful completion of the course the student will be able

CO 1: To discuss need and importance of auditing.

CO 2: To summarize the process of audit planning and the considerations at the commencement of the audit.

CO3: To explain the need and importance of vouching and the method of verification of various assets and liabilities.

CO 4: To examine the internal control system and its importance in an organization.

CO 5: To recall the legal position of an auditor and the various liabilities arising thereof.

**4. Course Content****MODULE I-INTRODUCTION TO AUDITING**

(15 Hrs)

Auditing concepts- Origin- Definition, Nature, Advantages & limitations, Objectives Differences between Auditing, Accounting, and Investigation. Concept of True and Fair view, Relationship with other disciplines .Qualities of an Auditor, Elements of Audit, Basic principles governing an Audit.

**MODULE II- AUDIT PLANNING**

(15 Hrs)

Audit Planning - Audit Programme, Audit working papers, audit notebook, audit memorandum, Procedural review in the new audit. Audit files – Considerations at the commencement of new Audit. Audit Risk-Assessment of Audit Risk- Risk Assessment procedures.

**MODULE III-VOUCHING & VERIFICATION**

(15 Hrs)

Vouching – Meaning, Importance, Types of Vouchers, Role of Auditor in Vouching, Payments, receipts, Sales, Purchases, Personal & Impersonal ledgers.

Verification & Valuation of Assets & liabilities: Meaning, problems in the valuation of assets (including the inflationary period), Mode of valuation, Auditors' position regarding Valuation of Assets, Verification of confirmation – Ensuring ownership over the stocks- Stock Valuation – other Fixed Assets – Liabilities- Share Capital, Creditors, B/P, Contingent Liabilities.

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**MODULE IV- INTERNAL CONTROL**

(15 Hrs)

Internal control system-Meaning- Importance and objectives. Accounting & Administrative Controls, Internal check- Features, Advantages & limitations. Concept of materiality, Sampling in Auditing- Test checking & Techniques of test checking. Audit Report-Elements and Types of Audit Report.

**MODULE V-RIGHTS, DUTIES& LIABILITIES OF AUDITORS**

(15 Hrs)

Rights and Duties of a company auditor-Liabilities of Auditor: Legal position of an auditor, liabilities of an auditor, appointed by private concern under companies act, liability for negligence, liability under the statute, under the law of agency, civil liability, criminal liability under IPC. Liability of an auditor to third parties, the liability of honorary and joint auditor, liability of an auditor of branch audit.

**5. References**

1. B.N. Tandon S - Practical Auditing. Sudharsanam Chand & Co. Delhi
2. Jagadish Prakash- Principles, Practices & Problems –Kalyani Publishers
3. Gupta & Arora- Fundamentals of Auditing Tata McGraw-Hill Publications
4. Lawrence Robert Dicksee Auditing: A Practical Manual For Auditors-Ayer Publishers
5. George Edward Bennett -Auditing: An Introduction To Practice Macmillan Company
6. IPCC – Study Material from The Institute Of Chartered Accountants Of India (Icai).

**6. Syllabus Focus**

a)Relevance to Local , Regional , National and Global Development Needs

Local /Regional/National /Global Development Needs	Relevance
National	This course applies all rules as prescribed in the Indian Companies Act. As and when there are amendments ,the same is applied.

**b) Components on Skill Development/Entrepreneurship Development/Employability**

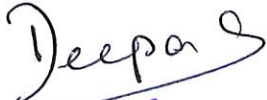
SD/ED/EMP	Syllabus Content	Description of Activity
EMP	Modules-II,III,IV	Group presentation of various cases related to either of the modules which leads them to analyze and understand the auditing process.

**7. Pedagogy**

S. No	Student Centric Methods Adopted	Type/Description of Activity
1.	Seminar Presentation	Participative Learning
2.	Role Play	Participative Learning
3.	Group Discussion	Participative Learning

**8. Course Assessment Plan****a) Weightage of Marks in Continuous Internal Assessments and End Semester Examination:**

COs	Continuous Internal Assessments - CIA (40%)	End semester Examination- (60%)
CO1	CIA-1	Written exam
CO2	CIA-1	
CO3	CIA-2 Presentation	
CO4	CIA-2 Concept testing	
CO5		

  
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**b) Question Paper Pattern****AUDITING  
MODEL QUESTION PAPER****Course Code: U24/CIP/DSC/404****Max Marks: 60****Credits: 5****Time: 2Hr****Answer the following****10x5=50 M**

1. Explain the advantages and limitations of Auditing.  
(Or)
2. Explain the differences clearly between Auditing and investigation.
3. What is an Audit program? What are its advantages and disadvantages?  
(Or)
4. What is i) Audit notebook ii) Auditor's lien on working papers.
5. Explain the Importance of Vouching. How is vouching done for Payments?  
(Or)
6. Compare vouching, verification, and valuation.
7. Distinguish between Internal check and Internal Control  
(Or)
8. What is internal control and its elements.
9. Give any two example of civil and criminal liability of an auditor.  
(Or)
10. What do you understand by i) liability of an auditor to third parties ii) liability of the auditor in case of branch audit.

**II. Answer any five of the following:****5× 2= 10 M**

11. Explain Auditing.
- 12) What is an audit notebook?
- 13) Explain Vouching
- 14) What is meant by an internal control system?
- 15) What is civil liability?
- 16) Explain true and fair view
- 17) What is Audit Programme?

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**SEMESTER - IV****DATA ANALYSIS AND VISUALIZATION****1. Course Description****Programme: B.Sc./B.Com./BMS****Max. Hours: 30****Course Code: U24/CSC/SEC/401****Hours per week: 2****Course Type: SKILL ENHANCEMENT COURSE****Max. Marks: 50****No. of credits: 2****2. Course Objectives**

- To learn the skills for working with formulas, functions, named ranges, referencing cells, and auditing for effective data analysis and manipulation.
- To learn the skills required for case analysis of different scenarios using the tools for analysis and visualisation.

**3. Course Outcomes**

This SEC paper will help students to enhance their overall skills and to

**CO1: Apply** formulas, functions, and named ranges for effective data manipulation to Demonstrate Excel Data Analysis Proficiency. (Cognitive level – 3)

**CO2: Demonstrate** ability to employ analytical tools and visualization techniques to extract insights and present findings effectively. (Cognitive level – 3)

**4. Course Content****MODULE I: DATA REPRESENTATION****(15 Hrs)**

Review of Excel-Worksheet Basics, Protecting Workbook, Importing and Exporting data, Sharing in Excel; Formula sand functions – understanding formulas; operators in formula; named ranges; calculations; functions in formulas; relative and absolute addressing; referencing cells outside the worksheet and workbook; functions- logical, summarizing, text, lookup, reference, data and time, math functions; error handling, formula auditing.

**MODULE II: DATA VISUALIZATION****(15 Hrs)**

Charts–waterfall, histogram, pareto, box and whisker, Tree map, sunburst, sparkline, 3D map charts and their uses; Advanced charts -Milestone chart, SmartArt graphics, Organization chart.

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Pivot tables—verify data source, format data, recommended pivot tables, adding slicers, timelines, calculated fields and group fields in pivot.

### **5. References**

1. Manisha Nigam, “Data Analysis with Excel”, BPP publications, 2018


### **6. Syllabus Focus**

#### **a) Relevance to Local, Regional, National and Global Development Needs**

<b>Local/Regional/National/Global Development Needs</b>	<b>Relevance</b>
Global Development	Data Analysis is a systematic method to look for trends, groupings, or other relationships between different types of data. Data visualization is to make it easier to identify patterns, trends and outliers in large data sets.

#### **b) Components on Skill Development/Entrepreneurship Development/Employability**

<b>SD/ED/EMP</b>	<b>Syllabus Content</b>	<b>Description of Activity</b>
SD and EMP	Modules 1 and 2	<p>Proficiency in Excel for worksheet management, data importing/ exporting, sharing, formula understanding, error handling and auditing for effective data analysis and manipulation.</p> <p>Proficiency in creating and utilizing various types of charts and understanding their purposes for data visualization.</p>

  
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**8. Course Assessment Plan****a) Weightage of Marks in Formative and Summative Assessments**

Formative Assessment - FA (40%)	Summative Assessment - SA (60%)
CIA-20 marks Mini project/Written Assignment / Problem solving/Case studies	End Semester Exam – 30 Marks

**b) Question Paper Pattern****EXTERNAL- MODEL QUESTION PAPER****PRACTICAL**

**Course code: U24/CSC/SEC/401**  
**Credits:2**



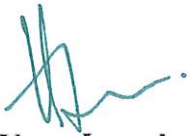
**Max. Marks: 30**  
**Max Time: 1 Hr**

**I. Answer the following.**

1. Refer the excel worksheet shared and perform the below tasks: **(15M)**
  - a. Apply conditional Formatting for Total column and find how many students Mark1 is greater than 42.
  - b. Calculate total and Percentage.
  - c. Use VLOOKUP function to find the name of the student with Roll No 12823.
  - d. Use IF CONDITION for Pass/fail. If Percentage greater than 72 "Pass" else "Fail".
  - e. Add a new column as Full name and fill the data using CONCATENATE function.

2. Draw a sparkline chart for the following chart **( 15M)**

Month	Jan	feb	Mar	Apr	may	jun
Revenue 2020	7850	8900	-8700	740	-7463	7841
Revenue 2021	7900	5008	4700	-4500	4850	7958
Revenue 2022	8000	6700	-4000	7200	5300	8900

Prepared by	Checked & Verified by	Approved by
 <b>Ms. Afeela Noorain</b> Teaching Faculty	 <b>Ms. D. Sowjanya</b> HOD	 <b>Dr. Uma Joseph</b> Principal

**SEMESTER - IV****INCOME TAX - I****1. Course Description**

Programme: BCom (IPP)  
 Course Code: U24/CIP/DSC/402  
 Course Type: DSC  
 No. of credits: 5

Max. Hours: 75  
 Hours per week: 5  
 Max. Marks: 100

**2. Course Objectives**

- To gain conceptual and legal knowledge about Income Tax provisions relating to assessment of various heads of Income
- To be aware of the powers of Income tax authorities

**3. Course Outcomes**

After the successful completion of the course, the student will be able to:

CO1: Apply the provisions of basic concepts of Income tax and residential status and incidence tax

CO2: Apply provisions related to Income from Salary

CO3: Apply provisions related to Income from House Property

CO4: Apply provisions related to Income from Profit and Gains of Business or Profession

CO5: Describe the powers of Income tax authorities and assessment procedures

**4. Course Content****MODULE I: INTRODUCTION**

(15 Hrs)

Introduction to direct taxes- Finance Act- Income Tax Act-applicability- Assessee-person-income-previous year-assessment year- TDS- exempted incomes- meaning of deductions and rebates -relief -gross total income- heads of income-tax rates-slab system- problems

Residential Status of individual and its effect on tax incidence- Determination-incidence of tax-relationship between residential status and incidence of tax- (problems)

**MODULE II: INCOME FROM SALARIES**

(15 Hrs)

Income from salaries- salary- characteristics of salary-definition of salary –allowances: partly exempted- fully exempted- fully taxable allowances specified employee- perquisites (tax free and taxable)- retirement benefits- leave encashment-gratuity-pension-deduction u/s 16 and u/s 80C- Form 16 interpretation- problems

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**MODULE III: INCOME FROM HOUSE PROPERTY**

(15 Hrs)

Income from house property- computation of annual value- let out - and self-occupied property- deductions under Sec 24- interest on borrowed capital, Calculation of Pre Construction Interest arrears of rent-unrealized rent- problems

**MODULE IV: INCOME FROM BUSINESS AND PROFESSION**

(15 Hrs)

Profits and gains from business and profession for sole trader- allowable expenses under Sec 28 to Sec 44 specific disallowances-depreciation- problems. Computation of Professional Income

**MODULE V: INCOME TAX AUTHORITIES & ADMINISTRATION**

(15 Hrs)

Income Tax authorities-CBDT-Income Tax officer/Assessing officer- CIT- powers-assessment procedure- regular assessment- self assessment- PAN- applicability of tax audit – meaning of advance tax-time limits for payment of tax- penalty on delayed payment of tax-problems

**5. References**

1. Dr V.K..Singhania Students Guide to Income Tax-Taxmann's
2. Vinod K Singhania, KapilSinghania Direct taxes law & practice –, Taxmann's
3. Girish Ahuja, Dr. Ravi Gupta Direct taxes law & practice Bharat Law House
4. S. Datey Indirect taxes law & practice V., Taxmann's
5. Gaur & Narang Income Tax Law & Practice Kalyani Publishers  
(As per latest Amendments)

**6. Syllabus Focus**

a) Relevance to Local , Regional , National and Global Development Needs

Local /Regional/National /Global Development Needs	Relevance
National	Useful to file the returns for individual assessee and also in tax planning.

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**b)Components on Skill Development/Entrepreneurship Development/Employability**

SD/ED/EMP	Syllabus Content	Description of Activity
SD	Module II	Relevance of Form 16 and filling of Form 16.
EMP	Module II, III & IV	Computation of tax liability
ED	All modules	Relevance of Form 16 and filling of Form 16.

**7. Pedagogy**

S. No	Student Centric Methods Adopted	Type / Description of Activity
1.	Case studies	Problem solving
2.	Objective test	Quiz

**8. Course Assessment Plan****a)Weightage of Marks in Continuous Internal Assessments and End Semester Examination**

CO	Continuous Internal Assessments CIA -(40)%	End Semester Examination-60%
CO1	CIA – 1	Written Exam
CO2	CIA – 1	
CO3	CIA – 2 (Objective type testing)	
CO4	CIA -2 (problems solving)	

CO5		
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## b) Model Question Paper- End Semester Exam

## INCOME TAX - I

Course Code: U24/CIP/DSC/402

Max Marks: 60

Credits : 5

Time : 2Hrs

## SECTION-A

## I. Answer the Following

5 x 10 = 50 M

1) Mr. Singh, an Indian citizen, went to U.S.A. on 10<sup>th</sup> October, 2014 and returned after two years stay from there. Again on 10<sup>th</sup> October, 2018 he went to Iran but returned on 10<sup>th</sup> May, 2022. He left Delhi for Canada on 10<sup>th</sup> February, 2023. Compute the residential status for the assessment year 2023-24.

OR

2) The following are the Incomes of Shree Rupak for the previous year 2022-23.

	Rs.
i. Dividend from Indian Company	10,000
ii. Profit from business in Japan received in India	1,20,000
iii. Profit from business in Pakistan deposited in a bank there. This business is controlled from India.	2,00,000
iv. Profit from business in Indore (Controlled by London Head Office)	1,10,000
v. Interest received from a non-resident Mr. Rahim, on the loan provided to him for a business carried on in India	50,000
vi. Income was earned in America and received there, but brought in India	80,000
vii. Share of income from Indian partnership firm	1,50,000
viii. Income from house property in India received in America (Computed)	62,000
ix. Interest on debentures of an Indian company received in Dubai	25,000
x. Capital gain on sale of agricultural land situated at Ajmer	48,000

Compute his taxable income, if he is:

Resident

(b) Not-ordinarily resident

(c) Non-resident

3) The following are the particulars of the income of Arvind for the previous year ending on

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173

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31<sup>st</sup> March

- i) Salary Rs.32,000 p.m.
- ii) Contribution to recognised provident fund Rs.4,000 per month
- iii) Employer contributes the same amount as the employer contributes towards provident fund.
- iv) Dearness Allowance Rs.5,000 p.m. it not considered for computation of retirement benefits.
- v) Interest credited to recognised provident fund @13% Rs.13,000
- vi) contribution to Public Provident Fund is Rs.9,000
- vii) Bonus Rs.30,000
- viii) His ration bill of Rs.2,000 p.m. paid by employer
- ix) Premium of life policy is Rs.12,000 on a policy of Rs.2,00,000
- x) Deposited Rs.4,800 in Equity Linked Saving Scheme
- xi) Repayment of house building loan taken from HDFC Rs.20,500 during the year.

Find out taxable income of Arvind for the assessment year 2023-24.

OR

4) From the following particulars, Calculate taxable salary of Mrs. Babita working at Coimbatore [Population 11 lakhs]

- a) Salary Rs.12,000 p.m.
- b) D.A. @100% of salary
- c) Employer's contribution to Employee's Recognised Provident Fund – 14% of basic salary
- d) Rent free accommodation (unfurnished) – fair rental value is Rs.80,000 p.a. Expenses on maintenance of garden met by employer Rs.3,000
- e) Interest on Provident Fund balance @13% p.a. – Rs.3,900
- f) A Car (1.4 litre capacity) is provided by employer. All expenses are borne by employer. It is used both for performance of duties and private purposes. Car was used by employee for only 11 months during the year.
- g) she paid professional tax of Rs.1,200
- h) She received Rs.500 p.m. as fixed medical allowance.

5) Mr. Ansari is owner of two houses and provides following information about these houses:

	House A	House B
Date of completion	1-6-2022	1-8-2021

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174

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Standard rent	15,000	-
Fair Rental Value	18,000	24,000
Municipal rental value	12,000	20,000
Actual rent	12,000	Self- occupied
Municipal taxes	1,200	10% on MRV
Ground rent (due)	400	----
Fire insurance premium	500	400
Interest on loan for the construction of house for the year 2019-20	4,000	11,000
2020-21	4,000	11,000
2021-22	3,000	11,000
2022-23	3,000	7,000

Calculate his income from the house property for the year ended 31-3-2023

OR

6) Mr. B owns a house property at Cochin. It consists of 3 independent equal units and information about the property is given below:

Unit 1: Own Residence unit 2 : Let out Unit 3 : Own business

Municipal rental value	1,20,000
Fair rental value	1,32,000
Standard rent	1,08,000
Rent	3,500 p.m.
Unrealized rent	For 3 months
Repairs	10,000
Insurance	2,000
Interest on money borrowed for purchase of property	96,000
Municipal taxes	14,400
Date of completion	1-11-1998

Compute income from house property.

7) The following is the Profit and loss account of Mr. X for the year ended on 31-3-2023. Compute his taxable Business income for the assessment year 2023-24.

Particulars	Rs.	Particulars	Rs.
To opening stock	15,000	By sales	80,000
To purchases	40,000	By closing stock	20,000
To wages	20,000	By gift from father	18,000
To rent	6,000	By sale of motor car	9,000
To repair to motor car	3,000	By income tax refund	3,000
To wealth tax paid	3,000		
To medical expenses	3,000		

To general expenses	10,000		
To depreciation on motor car	3,000		
To advance income tax paid	1,000		
To profit for the year	26,000		
	1,30,000		1,30,000

Following further information is given:

1. Mr. X carries on his business from rented premises at Delhi, half of which is used as his residence.
2. Mr. X bought a car during the year for Rs.20,000. He charged depreciation on the value of the car. The car was sold during the year for Rs.9,000. The use of the car was  $\frac{3}{4}$  th for the business and  $\frac{1}{4}$  th for personal purposes.
3. Medical expenses were incurred during sickness of Mr. X for his treatment.
4. Wages include Rs.250 per month on account of Mr. X's driver for 10 months.

OR

8) Mr. Ram Prasad is a registered medical practitioner. He has prepared the following Income and expenditure account for the year during 31<sup>st</sup> march, 2023. You are required to prepare a statement showing his income from profession.

To house hold expenses	20000	By consultation fees	10000
To car purchased	30000	By visiting fees	20000
To Travelling expenses(personal)	4000	By gains on race(gross)	10000
To charity and donations	1000	By share in sale proceeds of an ancestral house	34000
To income tax	2000	By profit on sale of securities	6000
To salaries	8000	By dividend on shares(gross)	5000
To gift to daughter	7000	By interest on P.O. savings bank	600
To establishment expenses	1000	By gifts from father-in-law	2000
To surgical equipment	4000	By bad debts recovered (not allowed in earlier year)	2000
To books	2000	By interest on fixed deposit	1300
To life insurance premium	2000		
To wealth tax	1000		
To interest on capital	1000		
To surplus	7900		
	90900		90900

Rate of depreciation allowable on car is 15% and surgical equipment is at 15%. In case of books for profession the rate of depreciation is 40%.

9) Explain in detail the powers of CBDT.

OR

10) What are the due dates for filing of return? Explain the procedure for assessment.



## SECTION B

I. Answer any **FIVE** of the following

5 x 2 = 10 M

1) Mr. M an Indian citizen, who is appointed as a taxation adviser by the Government of Uganda leaves India for the first time on March 25, 2020 for joining his duties in Uganda. During the previous year 2022-23 he comes to India on leave for 85 days. Identify his residential status for the assessment year 2023-24.

2) Mr. Hari is employed at Amritsar on a salary of Rs.30,000 p.m. The employer is paying House Rent Allowance of Rs.8,000 p.m. but the actual rent paid by him is Rs.12,000 p.m. He is also getting 2% commission on turnover achieved by him and turnover is Rs.50,00,000. Calculate taxable House Rent Allowance

3) Calculate Gross Annual Value if Municipal Rental value is 1,60,000, Fair Rental Value is 1,80,000, Standard Rent is 1,50,000 and Actual Rental value is 1,72,000. There is unrealised rent of Rs.6,000

4) Following particulars are furnished by Mr. X relating to Plant and Machinery (15% block) for the year ending on 31<sup>st</sup> March 2023.

Written Down Value as on 1-4-2022 - Rs.4,00,000

Additions made during the year on 1-7-2022 - Rs.60,000

During the year an item of machinery was sold for Rs.20,000. The Written Down Value of this item on 1-4-2022 was Rs.11,000. The cost of this item was Rs.16,000  
Compute the depreciation and Written Down Value.

5) Explain PAN

6) Compute total income of an assessee if his residential status is a) Resident & ordinarily resident  
b) Resident but not ordinarily resident c) Non resident

- i) Salary drawn during the year for employment outside India from Government of India Rs.93,600
- ii) profits earned abroad and received in India Rs.1,80,000
- iii) profits earned from business transactions outside India and kept in bank there Rs.1,90,000
- iv) Dividend received from Indian company Rs.30,000

7) Mr. A is a government employee and his Basic Salary is Rs.25,000/- p.m. and DA is Rs.5,000 p.m. (it enters into retirement benefits) and is provided a Rent Free Accommodation by the government. Rent fixed by the government is Rs.2,500 p.m. Calculate the value of Rent Free Accommodation.

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177



**Semester IV****MANAGEMENT ACCOUNTING****1. Course Description**

Programme: B. Com IPP

Course Code: U24/CIP/DSC/403

Course Type: DSC

No of Credits – 5

Max. Hours: 75

Hours per week: 5

Max. Marks: 100

**2. Course Objectives**

- To provide a deep understanding of financial management issues in the corporate world.
- To enable the students to incorporate key considerations into financial decisions.
- To develop an understanding of the various techniques of cost accounting for cost Control and decision making.

**3. Course Outcomes:**

On completion of the course the student will be able to:

CO1: Acquire an overview of management accounting covering its meaning, emergence, definition, characteristics, scope, objectives, functions, distinctions from cost accounting and limitations.

CO2: Analyse and interpret Financial Statements using various methods of Financial Analysis & Apply the concept of Ratio Analysis to evaluate Financial Performance of Organisations.

CO3: Develop the ability to prepare Funds Flow and Cash Flow Statements of Businesses.

CO4: Gain thorough knowledge of Cost Volume Profit analysis and apply it to decision making in organizations.

CO5: Gain thorough knowledge of the technique of budgetary control and apply it to preparation of various kinds of budgets and develop an understanding of standard costing Techniques and apply it to compute variances related to Material and Sales.

  
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#### 4. Course Content

##### MODULE I: INTRODUCTION

(15 Hrs)

Introduction-Meaning and emergence of management accounting- definition of management accounting-Characteristics of management accounting-Scope of Management Accounting-Objectives of management accounting –Functions of Management accounting Management accounting Vs Cost accounting- Limitations of Management Accounting

##### MODULE II: FINANCIAL STATEMENT ANALYSIS

(15 Hrs)

Concept of financial statements –nature – Income statement – statement of changes in financial position –statement of changes in retained earnings – Limitations of financial statements-Analysis and Interpretation – External analysis- Internal analysis – Horizontal analysis – Vertical analysis- tools – Comparative financial statements – Common size statements – Trend analysis (Problems)

Ratio analysis – meaning –nature and interpretation of ratios – use and significance of ratios – short term financial ratios – long term financial ratios – profitability ratios – propriety and yield ratios – turnover ratios (Problems)– DUPONT control chart (Theory)

##### MODULE III: FUNDS FLOW AND CASH FLOW ANALYSIS

(15 Hrs)

Meaning- concept of funds flow- Sources and use of funds – construction of funds flow statement - uses – significance of funds flow statement – limitations of funds flow statement (Theory and Problems)

Cash flow analysis – Introduction – meaning – Distinction of cash from funds- Cash flow from Operating, Investing and Financing activities- Construction of cash flow statement – Uses and Significance of cash flow statements- Limitations of cash flow statements. (Theory and Problems)

##### MODULE IV: MARGINAL COSTING AND DECISION MAKING

(15 Hrs)

Meaning of Marginal cost and Marginal costing – Marginal costing VS absorption costing, Contribution, Margin of Safety, Breakeven analysis and profit volume graph. (Problems) Applications of marginal costing and Cost volume profit analysis – cost control, profit planning, evaluation of performance and Decision making. (Problems)

##### MODULE V: BUDGETORY CONTROL & STANDARD COSTING

(15 Hrs)

Meaning and need for Budget, meaning of estimate, forecast and budget difference between budget and forecast, objective of budgetary control. Types of Budgets - Fixed & flexible budget, preparation of functional budget for operating and non-operating functions, cash budget (Problems), Zero base budgeting – control ratios.

Standard cost and standard costing- standard costing and budgetary control- Analysis of variances – Material and sales variances. (Problems)

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**5. References:**

1. Shashi K. Gupta & R.K. Sharma -Management Accounting Principles and Practice – Kalyani Publishers
  2. S.P Jain & K.L. Narang-Cost accounting principles and practice- Kalyani Publishers
  3. S.P Jain & K.L. Narang-Advanced cost accounting-Kalyani Publishers
  4. Saxena & Vashist -Advanced Cost and Management accounting-Sultan Chand
- Latest editions to be used**

**6. Syllabus Focus****a) Relevance to Local , Regional , National and Global Development Needs**

<b>Local /Regional/National /Global Development Needs</b>	<b>Relevance</b>
Local development needs	Helps local businesses control costs, provides relevant information for decision-making, assess and improve their performance, leading to competitiveness and sustainability.
Regional development needs	Assists in the effective allocation of resources through Planning and budgeting, Identify and manage financial risks fostering economic development
National development needs	Provides insights and data for Policy Formulation by the government, aids in evaluating investment opportunities and managing financial resources efficiently
Global development needs	Following international standards, enhances the comparability of financial information globally, manage financial risks associated with international business activities

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**b) Components on Skill Development/Entrepreneurship Development/Employability**

SD/ED/EMP	Syllabus Content	Description of Activity
Skill Development	Module II, IV and V	Training in solving application-oriented problems will equip with analytical skills to assess costs and their impact on pricing, production and investment decisions.
Entrepreneurship Development	Module III, IV and V	Construction of a Cash flow statement will help make informed decisions about working capital management, investments and Financing aspects. Training to prepare Budgets and helping to analyse the variances are tools to track costs, identify inefficiencies and make data-driven decisions for improving profitability and efficiency.
Employability	Module I and II	Training to analyse financial statements and interpret ratios equips with skill to assess a company's financial health.

**7. Pedagogy:**

S. No	Student-Centric Methods Adopted	Type/Description of Activity
1.	Lecture based learning	Concepts are taught
2.	Conceptual testing	Problem solving
3.	Active Learning	Group work to create budgets and other problem-solving exercises

  
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8. Course Assessment Plan

a) Weightage of Marks in Continuous Internal Assessments and End Semester Examination

CO	Continuous Internal Assessments CIA - 40%	End Semester Examination-60%
CO1	CIA – I (Written Exam)	Written Examination
CO2	CIA – II (Written Exam)	
CO3	CIA – III (Written Exam)	
CO4	CIA – IV (Assignment)	
CO5		

b) Model Question Paper – End Semester Exam

MANAGEMENT ACCOUNTING

Course Code: U24/CIP/DSC/403  
Credits: 5

Max Marks: 60  
Time: 2Hrs

Section A

I Answer the following 5 x 10m = 50 marks

1. Define Management Accounting. Discuss some of the important tools and techniques used in management accounting.

OR

2. Define the various steps involved in the installation of Management Accounting System.

3. Following Income statements of a business are given for the year ending 31<sup>st</sup> December 2019 and 31<sup>st</sup> December 2020. Rearrange them in a comparative form and comment.

Income Statements for the year ending 31 <sup>st</sup> December					
	2019	2020		2019	2020
To Cost of Goods sold	9,00,000	9,50,000	By Sales	15,25,000	17,00,000
To Office Expenses	93,250	95,980	By Interest received	7,500	6,200
To Selling Expenses	1,90,000	2,09,000	By profit on sale of Land	6,000	8,000
To Interest paid	8,000	7,000			
To loss on sale of P&M	2,500	800			
To Income Tax	85,000	1,68,000			
To Net Profit	2,59,750	2,83,420			
	15,38,500	17,14,200		15,38,500	17,14,200



OR

4. From the given data generate:

(i) Gross Profit Ratio	(ii) Net Profit Ratio	(iii) Current Ratio
(iv) Quick Ratio	(v) Absolute Liquid Ratio	(vi) Inventory Turnover Ratio
(vii) Debtors turnover Ratio	(viii) Creditor Turnover Ratio.	
Sales	25,20,000	
Credit Purchases	16,00,000	
Cost of sale	19,20,000	
Net profit	3,60,000	
Net worth	15,00,000	
Debt.	9,00,000	
Creditors	4,00,000	
Other Current Liabilities	2,00,000	
Fixed Assets	14,40,000	
Inventory	8,00,000	
Debtors	5,00,000	
Cash	2,60,000	

5. The financial position of M/S A &amp; B on Jan 1 and Dec 31 2013 was as follows

Liabilities	Jan 1	Dec 31	Assets	Jan 1	Dec 31
Sundry Creditors	36,000	40,600	Cash	4,000	3,600
Mrs A's Loan	-	20,000	Debtors	35,000	38,000
Loan from Bank	30,000	25,000	Stock	25,000	22,000
Hire purchase vendor	-	20,000	Land	20,000	30,000
Capital	1,48,000	1,54,000	Building	50,000	55,000
			Machinery	80,000	86,000
			Delivery Van	-	25,000
	<b>2,14,000</b>	<b>2,59,600</b>		<b>2,14,000</b>	<b>2,59,600</b>

The delivery van was purchased in December 2013 on hire purchase basis; a payment of Rs 5,000 was made immediately and the balance of the amount is to be paid in 20 monthly instalments of Rs 1000 each together with interest @ 12% p.a. During the year partners withdrew Rs 26,000 for domestic expenditure. The provision for depreciation against machinery as on 1-1-2013 was Rs 27,000 and Rs 36,000 on 31-12-2013. Prepare funds flow statement.

OR

6. Prepare Cash Flow Statement from the following Balance sheet



Liabilities	2015	2016	Assets	2015	2016
Share Capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General Reserve	14,000	18,000	Buildings	40,000	36,000
P&L Account	16,000	13,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investments	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for tax	16,000	18,000	Bills Receivable	2,000	3,200
Prov. for D.Debts	400	600	Debtors	18,000	19,000
			Cash @ Bank	6,600	15,200
	<b>1,55,600</b>	<b>1,55,800</b>		<b>1,55,600</b>	<b>1,55,800</b>

The following additional information is also given:

1. Depreciation charged on Plant was Rs. 4,000, 2. Buildings were depreciated by Rs. 4,000, 3. Provision for taxation Rs. 19,000 was made during the year and 4. Interim dividend of Rs. 8,000 was paid during the year.

7. What is meant by Break Even analysis? Discuss the assumptions, method of computing, advantages and limitations of Break-even chart.

OR

8. From the following information you are required to
  - a. Calculate and present the marginal product cost and contribution per unit
  - b. State which of the alternative sales mix you would recommend to the management and why?

Particulars	X	Y
Selling price per unit	Rs 25	Rs 20
Direct Material per unit	8	6
Direct wages	24 hours @ 0.25/ hour	16 hours @ 0.25/ hour

Fixed overhead = Rs 750

Variable overhead – 150% of direct wages

Alternate sales mix:

- a) 250 units of X and 250 units of Y
- b) Nil units of X and 400 units of Y
- c) 400 Units of X and 100 units of Y

9. From the following forecasts on Income and Expenditure, you are required to prepare a cash budget for the three months ending 30<sup>th</sup> November. The bank balance on 1<sup>st</sup> September was Rs 10,000.

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Months	Sales (Rs)	Purchases (Rs)	Wages (Rs)	Factory Expenses (Rs)	Office Expenses (Rs)
July	80,000	40,000	5,600	3,900	10,000
August	76,500	42,000	5,800	4,100	12,000
September	78,000	38,500	5,800	4,200	14,000
October	90,000	37,500	5,900	5,100	16,000
November	95,000	43,000	5,900	6,000	13,000

A sales commission of 4% on sales, due in the month in which sales dues are collected is payable in addition to office expenses. Fixed assets worth Rs 65,000 will be purchased in September to be paid in the following month. Rs 20,000 in respect of debenture interest will be paid in October. The period of credit allowed to customer is 2 months and 1 month credit is obtained from suppliers of goods. Wages are paid twice in a month on the 1<sup>st</sup> and 16<sup>th</sup> respectively. Expenses are paid in the month in which they are due.

OR

10. S.K. Furnishes the following information relating to budgeted sales and actual sales for March 2020

	Product	Sales Quantity (Units)	Selling Price per unit
Budgeted Sales	A	1,500	Rs 10
	B	1,200	Rs 15
	C	2,000	Rs 25
Actual Sales	A	900	Rs 12
	B	1,300	Rs 14
	C	2,100	Rs 26

Generate a) Sales Volume Variance b) Sales Price Variance c) Total Sales Variance

## SECTION B

II Answer any 5 from the following 7 Questions

5 x 2 = 10 M

- Outline the relationship between Financial, Cost & Management accounting
- Calculate current assets, current liabilities and Inventory from the following: Current Ratio = 2.8, Liquid Ratio = 1.5 and Working Capital = Rs 90,000.
- State any four differences between funds flow statement and cash flow statement
- Calculate the amount of Profits earned during the year using the marginal costing technique